

## Message Text

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ACTION IO-13

INFO OCT-01 AF-10 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04  
H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01  
SP-02 SS-15 USIA-15 FEA-01 AID-05 CEQ-01 ERDA-07  
COME-00 EB-07 EPA-04 NSF-02 OES-07 INT-05 OMB-01  
TRSE-00 ARA-10 EA-09 NEA-10 ABF-01 OIC-02 /164 W  
-----241048Z 019377 /12

R 231444Z MAY 77  
FM AMEMBASSY NAIROBI  
TO SECSTATE WASHDC 8419  
INFO USUN NEW YORK 1157  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMCONSUL MONTREAL  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY VIENNA

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LONDON FOR IMCO  
MONTREAL FOR ICAO  
PARIS FOR UNESCO  
ROME FOR FODAG  
VIENNA FOR IAEA AND UNIDO

E. O. 11652: N/A  
TAGS: SENV, UNEP  
SUBJ: UNEP: GC V - COMMITTEE II: WRAPUP

REF NAIROBI 6192

SUMMARY: UNDER CHAIRMANSHIP HANS PFLAUMER (FRG), RAPPORTEUR,  
MAHIUDDIN AHMED KHAN (BANGLADESH), COMMITTEE II COMPLETED  
ITS AGENDA IN 10 SESSIONS. PRINCIPAL ISSUE WAS FUTURE  
LEVEL OF ENVIRONMENTAL FUND WHICH DOMINATED ALL OF COMMITTEE II  
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WORK AND WHICH THREATENED TO BECOME DIVISIVE ISSUE BETWEEN  
DEVELOPED AND DEVELOPING COUNTRIES. AFTER EXTENSIVE  
INFORMAL CONSULTATIONS, SATISFACTORY COMPROMISE REACHED  
WHICH AUTHORIZED FUND PROGRAM ACTIVITIES FOR MEDIUM-TERM  
PLAN (1978-1981) AT LEVEL REQUESTED BY EXECUTIVE DIRECTOR  
AND AGREED WITH THE INTENTION OF THE EXECUTIVE DIRECTOR  
TO SEEK "VOLUNTARY CONTRIBUTIONS FOR THE SAME PERIOD

TO THE LEVEL OF \$150 MILLION." EFFECT OF THIS DECISION IS TO MAKE \$150 MILLION TARGET THE EXECUTIVE DIRECTOR'S AND NOT THE COUNCIL'S. RECORD IS CLEAR THAT ADDITIONAL FUNDING MUST COME FROM NEW CONTRIBUTOR'S OR FROM INCREASES IN CONTRIBUTION'S WELL BELOW ABILITY, AND NOT FROM INCREASES FROM MAJOR DONORS. END SUMMARY:

1. ITEM II (A): IMPLEMENTATION OF THE FUND PROGRAM IN 1976: FOURTEEN DELEGATIONS SPOKE ON THIS ISSUE, ALL BUT FOUR (ONE BEING USSR) FROM THE WEO GROUP. JAPAN, WITH US, UK AND CANADA IN ENDORSEMENT, SIGNALLING A MAJOR CONCERN WHICH WOULD COLOR THE DISCUSSION OF THE FUTURE OF THE FUND, NOTED THE PROBLEM OF PIPELINE CONGESTION REPRESENTED BY THE LARGE SHORTFALL IN EXPENDITURE WHEN COMPARED WITH PROJECT COMMITMENT. MOST DELEGATIONS SPEAKING, WHILE WELCOMING THE IMPROVEMENT IN DOCUMENTATION, NOTED THE NEED FOR IMPROVED FINANCIAL REPORTING, AND CLARIFICATION OF FINANCIAL TABLES. US, UK, JAPAN, CANADA, AND USSR URGED MORE EFFORT ON IMPROVEMENT OF EVALUATION EXERCISES, INCLUDING MORE WORK ON EVALUATION PROCEDURES. A STRONG EMPHASIS WAS PUT ON THE IMPORTANCE OF PROGRAM EVALUATION AND THE INTERRELATIONSHIP BETWEEN THE RESULTS OF PROJECTS AND OVERALL PROGRAM PERFORMANCE. US WELCOMED EXECUTIVE DIRECTOR'S INTENTION TO MAKE 1977 A YEAR OF CONSOLIDATION LEADING TO GREATER CONCENTRATION THEREAFTER AND MADE OTHER POINTS COVERED IN POSITION PAPER THIS ITEM. COMMITTEE CONCLUDED THIS ITEM WITH ADOPTION DECISION LARGEY FOLLOWING ACTION SUGGESTED PARA 36, UNEP/GC/96, UNCLASSIFIED

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BUT ELABORATING IN ANNEX INFORMATION TO BE INCLUDED IN UNEP/FUND/PROJECTS/-SERIES OF DOCUMENTS, DESIGNED TO PROVIDE MORE INFORMATION TO GOVERNMENTS ON PROJECT IMPLEMENTATION.

2. ITEM II (B): AUDITED 1975 ACCOUNTS AND UNAUDITED INTERIM ACCOUNTS FOR 1976; THIS ITEM WAS ROUTINELY CONSIDERED, AT THE CONCLUSION OF WHICH THE EXECUTIVE DIRECTOR WAS REQUESTED TO SUBMIT A FURTHER REPORT TO GC/VI ON STEPS TAKEN TO COMPLETE THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE BOARD OF AUDITORS AND THE ADVISORY COMMITTEE.

3. ITEM II (C): PERFORMANCE REPORT ON PROGRAM AND PROGRAM SUPPORT COSTS BUDGET FOR 1976-1977 AND PROPOSED BUDGET FOR PROGRAM AND PROGRAM SUPPORT COSTS FOR 1978-1979: DEBATE THIS ISSUE CONCENTRATED ON LACK OF JUSTIFICATION PRESENTED IN DOCUMENT 99/ADD. 1 FOR PROPOSED RECLASSIFICATIONS AND NEW POSTS. US EMPHASIZED INCREASING

EVIDENCE THAT RECLASSIFICATION THROUGHOUT UN SYSTEM  
TREATED ON ROUTINE, CASUAL BASIS. SEVERAL WEO DELS  
CRITICIZED IN PARTICULAR PROPOSED RECLASSIFICATION OF  
DEPUTY REGIONAL REPRESENTATIVES. SECRETARIAT WITHDREW  
PROPOSAL FOR CREATION OF CONTINGENCY FUND TO "MEET  
DRAMATIC CURRENCY FLUCTUATIONS, UNANTICIPATED  
PRICES INCREASES OR OTHER UNFORESEEN REQUIREMENTS" IN  
THE FACE OF THE ACABQ SUGGESTION THAT THE NEED WOULD BE  
ELIMINATED IF NEXT PERFORMANCE REPORT WERE BASED ON  
12 OR 14 MONTHS EXPERIENCE (INSTEAD OF SIX) WHICH  
COULD INCLUDE, IF NEEDED, REVISED FORECASTS FOR INFLATION  
AND CURRENCY FLUCTUATION. IN FACE OF ADDITIONAL JUSTI-  
FICATION PRODUCED BY SECRETARIAT, COMMITTEE APPROVED  
CREATION OF EIGHT NEW POSTS AND AGREED TO THE RECLASSIFI-  
CATION REQUESTED TO PROVIDE A P-4 DEPUTY TO THE CHIEF  
OF THE GENERAL SERVICES SECTION. REGARDING THE REQUEST  
FOR A LEGAL LIAISON P-4 OFFICER POST, THE COMMITTEE  
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ACKNOWLEDGED THE NEED, BUT REQUESTED THE EXECUTIVE DIRECTOR  
TO TAKE ACTION ON IT IN THE LIGHT OF THE COMMENTS BY THE  
ACABQ, WHICH FELT THE POST AS DESCRIBED SHOULD BE  
SOUGHT UNDER THE REGULAR BUDGET AND NOT THIS FUND. THE  
COMMITTEE AGREED TO DEFER ACTION ON THE RECLASSIFICATION  
OF REGIONAL OFFICE POSTS AND TO REQUEST THE EXECUTIVE  
DIRECTOR TO CONDUCT A REVIEW OF REGIONAL REPRESENTATION  
AND REPORT THEREON TO GC/VI. (NOTE: WHILE NO RESERVATION

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07  
L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15  
USIA-15 FEA-01 AID-05 CEQ-01 ERDA-07 COME-00  
EB-07 EPA-04 NSF-02 OES-07 INT-05 OMB-01 TRSE-00  
AF-10 ARA-10 EA-09 EUR-12 NEA-10 ABF-01 OIC-02  
/164 W

-----241048Z 019469 /12

R 231444Z MAY 77

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 8420  
INFO USUN NEW YORK 0811  
AMEMBASSY LONDON  
AMCONSUL MONTREAL  
AMEMBASSY PARIS  
AMEMBASSY ROM  
AMEMBASSY VIENNA

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WAS REGISTERED ON THIS POINT IN COMMITTEE, SOME DEVELOPING COUNTRY DELEGATIONS WERE CLEARLY UNEASY THIS DECISION. SECRETARIAT WAS ALSO UNHAPPY AND IT THEREFORE NOT CLEAR AT THIS JUNCTURE WHETHER THIS PART OF DECISION ON THIS ITEM WILL SURVIVE PLENARY APPROVAL.)

4. ITEM II (C): MANAGEMENT OF THE FUND: MEDIUM-TERM PLAN, 1978-1981: ALL MAJOR DONORS SPEAKING ON THIS ISSUE (ONLY FRG DID NOT PARTICIPATE), WHILE SUPPORTING IN PRINCIPLE EXECUTIVE DIRECTOR'S RECOMMENDATION THAT FUND BE CONTINUED AT \$100 MILLION IN REAL TERMS, QUESTIONED NEED FOR CONTRIBUTIONS AT \$150 MILLION TO ACHIEVE THIS LEVEL. ALL NOTED THE DISCREPANCY BETWEEN PROJECT COMMITMENT AND EXPENDITURE ACHIEVED IN FIRST FIVE YEARS AND ANTICIPATED THAT LEVEL OF SLIPPAGE WOULD REMAIN RELATIVELY HIGH THROUGHOUT MOST OF YEARS COVERED

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BY MEDIUM TERM PLAN. ALL MAJOR DONOR DELEGATIONS EMPHASIZED FULL AGREEMENT WITH LEVEL OF FUND PROGRAM ACTIVITIES PROPOSED BY EXECUTIVE DIRECTOR BUT FELT THIS LEVEL COULD BE SUSTAINED BY CONTRIBUTIONS OF \$120 MILLION TO \$130 MILLION OVER THE YEARS 1978-1981. THIS VIEW WAS SHARED BY THE USSR, BUT STOUTLY OPPOSED BY SECRETARIAT ON GROUNDS THAT, GIVEN NECESSARY SUPPORT BY COUNCIL, PROGRAM COULD REACH LEVEL OF FUND PROGRAM ACTIVITIES IN TERMS OF EXPENDITURE, ALTHOUGH SECRETARIAT (STEDMAN) WHEN PRESSED, FINALLY ACKNOWLEDGED THAT RATE OF SLIPPAGE COULD NOT BE REDUCED BELOW 10 PERCENT. SECRETARIAT FURTHERMORE CONSIDERED (INCLUDING TOLBA PRIVATELY) THAT FAILURE APPROVE FOUR-YOUR \$150 MILLION GOAL WOULD TIE EXECUTIVE DIRECTOR'S HANDS IN SEEKING NEW OR INCREASED CONTRIBUTIONS. BOTH STEDMAN AND TOLBA EMPHASIZED THAT EXECUTIVE DIRECTOR DOES NOT EXPECT NOR SEEK LARGER CONTRIBUTIONS FROM MAJOR DONORS. PROLONGED DISCUSSION EVENTUALLY SPREAD PROBLEM OF NON-CONVERTIBLE CURRENCIES ON TABLE, WITH STEDMAN ACKNOWLEDGING THAT A GROWING PROPORTION OF UNEP'S CASH BALANCES WERE HELD IN NON-CONVERTIBLE CURRENCIES AND THAT WHILE PROGRESS BEING MADE IN DEVELOPING PROJECTS FOR EXPENDITURE OF THESE FUNDS

WITHOUT DISTORTING PROGRAM, NEVERTHELESS THEY WOULD CONTINUE TO GROW, AT LEAST FOR A FEW YEARS. DEVELOPING COUNTRIES, WITH SCATTERED EXCEPTION, WITHHELD FIRE UNTIL LATE IN DEBATE, WHEN KENYAN AND GHANA, IN IMPASSIONED PLEAS, URGED DELEGATIONS TO STOP NIGGLING OVER DETAILS AND TECHNICALITIES AND SHOW THEIR FAITH IN PROGRAM BY APPROVING \$150 MILLION GOAL. FOLLOWING INTENSIVE INFORMAL NEGOTIATIONS, FOCUSING ON WE TEXT REPORTED REFTEL, COMMITTEE AGREED TO DECISION WHICH APPROVES LEVEL OF PROGRAM FUND ACTIVITIES RECOMMENDED BY EXECUTIVE DIRECTOR AND "AGREES" HIS "INTENTION" TO SEEK VOLUNTARY CONTRIBUTIONS UP TO \$150 MILLION. SECRETARIAT AND DEVELOPING COUNTRY DELS INSISTED THAT MERELY TAKING NOTE OF THE EXECUTIVE DIRECTOR'S PROPOSAL, UNCLASSIFIED

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AS PROPOSED IN WEO DRAFT, DID NOT GIVE HIM CLOUT HE NEEDED IN NEGOTIATING WITH PRESENT NON-CONTRIBUTORS OR THOSE CLEARLY CONTRIBUTING TOO LITTLE. SINCE FORMULATION FINALLY AGREED PRESERVES \$150 MILLION AS EXECUTIVE DIRECTOR'S AND NOT COUNCIL'S GOAL, WEO POSITION WAS MET. FULL TEXT OF DECISION TRANSMITTED SEPTEL.

5. ITEM 9: BUDGETARY MATTERS ON UNHHSF. THIS ISSUE RECEIVED LITTLE DISCUSSION IN COMMITTEE, WHICH ROUTINELY ENDORSED ACTION SUGGESTED BY EXECUTIVE DIRECTOR IN DOCUMENTATION. POLICY ISSUES ADDRESSED IN PLENARY.

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPENDITURES, ORGANIZATION & MANAGEMENT  
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**Copy:** SINGLE  
**Sent Date:** 23-May-1977 12:00:00 am  
**Decapton Date:** 01-Jan-1960 12:00:00 am  
**Decapton Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Errors:** N/A  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**TAGS:** SENV, AORG, AFIN, UNEP  
**To:** STATE  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/77b7bf8b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009